

MINUTES

MONTANA SENATE 57th LEGISLATURE - REGULAR SESSION COMMITTEE ON HIGHWAYS AND TRANSPORTATION

Call to Order: By **SEN. DALE BERRY**, on January 25, 2001 at 3:00 P.M., in Room 317-A Capitol.

ROLL CALL

Members Present:

Sen. Dale Berry (R)
Sen. Vicki Cocchiarella (D)
Sen. Bob DePratu (R)
Sen. Dan Harrington (D)
Sen. Sam Kitzenberg (R)
Sen. Jerry O'Neil (R)
Sen. Gerald Pease (D)
Sen. Glenn Roush (D)

Members Excused: Sen. Arnie Mohl, Chairman (R)
Sen. Ric Holden, Vice Chairman (R)

Members Absent: None.

Staff Present: Connie Erickson, Legislative Branch
Marion Mood, Committee Secretary

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:

Hearing(s) & Date(s) Posted: SB 191, 1/11/2001; SB 237,
1/15/2001
Executive Action: none

HEARING ON SB 191

Sponsor: SEN. ROBERT "BOB" DePRATU, SD 40, Whitefish

Proponents: REP. CINDY YOUNKIN, HD 28, BOZEMAN, Mt. Lions'
Club Sight and Hearing Foundation

Brenda Nordlund, Department of Justice
Dean Roberts, Department of Justice
Jim Schwinn, 3M Company
Chuck Tomich, 3M Company
Jeff Hagener, Fish, Wildlife & Parks
Kirk Astroth, Children's Trust Fund
Jan Metzmaker, Glacier Fund
Janet Chilcote, self
Dane Dugan, 4-H Foundation

Opponents: none

Opening Statement by Sponsor:

{Tape : 1; Side : A; Approx. Time Counter : 0}

SEN. ROBERT "BOB" DePRATU, SD 40, Whitefish, opened by saying this bill allows for the issuance of a generic specialty license plate which can benefit a great many organizations. He said he was aware of the fact that we do already have a vast number of specialty, or vanity, plates such as the ones proclaiming university affiliation, veterans' groups and so on. He added that since these were introduced in 1987, each legislative session has seen numerous requests for issuance of new vanity plates, and this required a special bill for each organization which qualified, costing up to \$2,700 per bill. He stated that within SB 191, there was a provision transferring the responsibility of authorizing the issuance of a specialty plate from the Legislature to the Department of Justice. He stated that after this many years of experience, the guidelines regarding these types of license plate were pretty well established, and the responsibility could comfortably be turned over to the Motor Vehicle Department in the Department of Justice, thereby saving the taxpayer money. He further stated that his bill made it possible for organizations like the Glacier Foundation to apply for a specialty plate, charge a fee to the purchaser and use these funds for the foundation's needs. He pointed to an amendment he requested which would allow a change in the manufacture of the plate; he felt this would be very desirable. He repeated this bill brought an opportunity to organizations like the Glacier Foundation to raise funds as well as advertise. Lastly, he made reference to representatives of the 3M Corporation who had brought sample plates as well as materials for a video presentation to the hearing.

Proponents' Testimony:

REP. CINDY YOUNKIN, HD 28, Bozeman, speaking on behalf of the **Montana Lions' Sight and Hearing Foundation** stated that she had

wanted to introduce roughly the same bill, and that she wholeheartedly supported it.

Brenda Nordlund, Department of Justice, stated that in the past, the department had opposed the use of specialty license plates because of the confusion they created for both the department and law enforcement with regards to numbering systems and plate styles. This bill, however, was the perfect vehicle by setting up the constraints upon the department for issuance of specialty plates and taking the Legislature out of the business of hearing the pleas from the various organizations. By being able to issue these plates, the Department of Justice would design the plate format and background; it would determine whether or not an organization or governmental body was eligible to sponsor a plate; and it would work with the sponsor's liaison in the design and coordination of the issuance of the plate. She pointed out that it would be the plate sponsor's liaison, not the government, who would be collecting the fees for these special plates; they in turn would issue a certificate to the purchaser which then would allow him to pick up his plate at the county treasurer's office. There also are mechanisms in this bill which ensure that the department does not lose money by issuing these plates: either a 400 unit pre-order is required or payment of a start-up fee of \$1,200 before the prototype is developed. She referred to the 501-C4 status under the Internal Revenue Code by which the department determines eligibility to sponsor a specialty plate. Governmental bodies that fall under these provisions would include counties who might want a county vanity plate, school districts reflecting academic or sports programs, or tribal governments. Finally, she referred to amendment #SB019101.ace **EXHIBIT (his20a01)** which she had prepared, resulting in minor changes to the bill. One of the things she pointed out was that the department had to confer with the Department of Corrections to determine if the digital license plate processing system advocated in the bill was the most efficient and versatile manufacturing process. The other issue addressed in the amendment was the 4-year limit placed on license plates by statute; this would not apply to these generic specialty plates if issued by the department through a sponsor.

Dean Roberts, Administrator, Motor Vehicle Division, DOJ, opened his testimony by stating that the 3M Company was the supplier of the reflective material and owned all the equipment for manufacture except for the huge press at the prison in Deer Lodge; he further stated that 3M supplies about 75% of all license plates sold in this country. 3M was invited with **SEN. DePRATU'S** blessing because of the new digital license plate processing system which considerably shortens the process of making plates. He also touched on the fiscal impact, saying that

there was already money in place for making license plates; for these, one would pay the extra \$10 administration fee plus the money for the sponsoring organization, with part of the \$10 going to the county treasurer and part to the prison for the manufacture. He then turned the presentation over to the 3M representatives.

Jim Schwinn, 3M company, stated that he was the accounts manager for Montana with respect to providing the reflective sheeting for the production of license plates as well as the reflective validation tab that goes on a license plate. He maintained that his company had the best and most innovative system, and a new technology to address the growing proliferation of specialty, or vanity, plates and added that the number of requests for these would keep growing. He said that the current process was cumbersome and outdated and offered a visual overview of their digital license plate processing system, introducing his colleague, **Chuck Tomich**, who is the project manager for the 3M digital license plate production process.

Chuck Tomich, 3M Company, passed around a roll of reflective paper with license plate designs printed on it, illustrating the clarity and detail possible with the digital printing system as well as the fact that many different designs and color combination can be printed on one such roll. This translates into a lot more flexibility in design compared to the conventional screen printing. In addition to the superb quality, this printing system serves to expedite production of specialty and personalized license plates, and he proceeded with the showing of a brief video, depicting the digital manufacturing process. He then handed out **EXHIBIT(his20a02)**, supporting the information shown in the video, adding that this sheeting is then bonded to aluminum blanks and is ready for shipment. In closing, he listed the many benefits of this system, such as the smaller size of the equipment; the fact that no curing ovens or ventilation system are needed; the clarity and combination of colors, and that with the digital printing system, any combination or sequence of characters, be they numbers or letters or a combination of both, is possible. He also pointed out that these plates are totally flat and thinner than conventional ones and therefore required less postage when mailed out, as well as less space when stored at the county treasurer's offices. Another advantage is the speedy manufacturing process which in essence eliminates the need to maintain inventories of the popular specialty plates. Lastly, he mentioned that the legibility of the characters would be greatly improved for law enforcement purposes, and that a bar code could be added which an inmate could scan to have the recipient's shipping information printed on a shipping label, in another room of the facility.

Dean Roberts apologized for not having an official from the state prison system present but assured the committee that, having been schooled in the new system, they were fully in support of this bill, especially since inmates would be taught a new skill which they could use on the outside where computer knowledge is a must.

{Tape : 1; Side : B; Approx. Time Counter : 2.5}

Jeff Hagener, Montana Fish, Wildlife & Parks, offered written testimony **EXHIBIT(his20a03)**.

Kirk Astroth, Chairman, Montana Children's Trust Fund, also offered written testimony **EXHIBIT(his20a04)**.

Jan Metzmaker of the **Glacier Fund**, which is a committee of the National Park Foundation, a congressionally designated fund raiser for the National Park Service, stated that Glacier National Park was a major attraction to tourists visiting Montana, over 1,7 million people visited the park last year. She went on to say that about 25% of Montana's tourists come to Glacier Park, making it a critical component of northwest Montana's economy. A citizen advisory group currently was studying ways to both repair Going-to-the-Sun road and balance the needs of local businesses; the historic hotels are also in dire need of repair, as are the red tour busses which were taken out of circulation in 1999 due to structural problems. She said that SB 191 would help them raise funds by enabling them to offer colorful license plates depicting Glacier Park's scenic beauty, thereby raising funds for much needed park projects. She further stated that she received nothing but positive comments since the inception of this bill; she felt that Montanans are fiercely proud of their state and want a license plate that reflects its beauty which would, as an added bonus, serve to attract visitors. She mentioned that the Yosemite Fund which offers a vanity plate generates more than \$800,000 per year for their organization and then handed out **EXHIBIT(his20a05)** which offers information on the Glacier Fund.

Jan Chilcote, representing herself, listed numerous organizations she had volunteered for, and while she did not support raising taxes she felt confident that many private citizens would support their favorite charity by purchasing a specialty license plate and publicly promoting our favorite cause.

EXHIBIT(his20a06) was faxed in for **Dane Dugan** who could not be present due to a motor vehicle accident.

Opponent's Testimony: none

Questions from Committee Members and Responses:

SEN. JERRY O'NEIL wondered why the fiscal note showed an expense and not an income. **SEN. DePRATU** answered that the fiscal note was drafted for the way the bill was written at this time. There was some expense in changing the system over to the digital process, and income would be derived once plates are pre-ordered and actually in use. **SEN. O'NEIL** then asked if this bill would generate income in the long run. **SEN. DePRATU** stated that in the long run, it would generate some income but that it was not designed to be a fund raiser for the state but an opportunity for charitable organizations to raise funds. The state will realize savings once it switches over to the new system because it will use one third less aluminum as well as the lower inventory. **SEN. O'NEIL** asked how much we are paying 3M per plate. **Jim Schwinn** stepped in and said the per unit cost would go down because of the different printing process; currently, the cost depends on the color, and with the colors added into the preprinted sheeting, it would not matter if there were four or 20 colors. He estimated that once you get a certain volume through the system, the cost would go down by a few cents per plate. **SEN. O'NEIL** asked if the cost would \$1 or \$5. **Jim Schwinn** repeated that it was more like pennies, 10 to 20 cents per plate. **SEN. O'NEIL** also asked how long the color would last. **SEN. DePRATU** believed the plates would at least last for 4 years. **SEN. GLENN ROUSH** asked if the sponsor could estimate how many requests for sponsorships could reasonably be expected in the next year or two. **SEN. DePRATU** said he could not; he had drafted this bill with the Glacier Fund in mind, and the Children's Fund would be an equally worthwhile organization. He again pointed to the many requests for special plates the Legislature had received over the past few years and said he was sure more organizations would come forward and take advantage of this opportunity. **SEN. VICKI COCCHIARELLA** wondered if the bill required manufacturing the plates as described, and she referred especially to the small emblem. **SEN. DePRATU** stated the Department of Justice would be allowed to make the decision if an organization qualified, and under present statutes it would allow for the emblem which he felt was important; he pointed out the importance of the amendment which allows an organization to develop a plate that will really stand out and advertise Montana. **SEN. DALE BERRY** asked if the highway patrol felt we would lose some state identity if there were so many different plates out there. **SEN. DePRATU** said the highway patrol had not expressed any opposition to this bill, and this hearing was their opportunity to come forward. He repeated that their concern was the clarity of the numbers which is exactly what this printing process accomplished.

Closing by Sponsor:

SEN. DePRATU repeated that while the old system did allow for special plates it is a cumbersome system, and the amendment would allow us to have these beautiful plates. He repeated that it gives people the opportunity to express themselves and donate to their favorite charity, and with that he closed on SB 191.

HEARING ON SB 237

Sponsor: **SEN. MACK COLE, SD 4, Hysham**

Proponents: **Ben Havdahl, Multi-State Highway Transportation Agreement**
Barry "Spook" Stang, Montana Motor Carriers Assn.
Gary Gilmore, Department of Transportation

Opponents: **None**

Opening Statement by Sponsor:

SEN. MACK COLE, SD 4, Hysham, introduced SB 237 by saying that the bill amends a statute enacted by the 1981 legislature which entered Montana into a reciprocal statutory agreement with 10 other western states. The agreement was designed to foster cooperation and establish uniform standards with regards to a variety of highway related issues. He went on to say that this alliance, MHTA, recognizes the unique transportation challenges faced by rural western states, and the intention was to improve communication between state administrators, state legislators, and private industry. He stated that he has served as the official representative of the MHTA governing body for six years, and was recently elected chairman. This entity contracted with the National Conference of State Legislators to give legal advice and counsel in the future actions of the agreement, including suggested amendments reflected in SB 237. He referred to Mr. **Ben Havdahl** who was hired by the MHTA as their policy consultant.

Proponents' Testimony:

Ben Havdahl, Multi-State Highway Transportation Agreement, presented written testimony **EXHIBIT(his20a07)** and for further information, an outline of MHTA's mission **EXHIBIT(his20a08)**.
{Tape : 2; Side : A; Approx. Time Counter : 5.8}

Barry "Spook" Stang, Montana Motor Carriers Association, also presented written testimony **EXHIBIT(his20a09)**.

Gary Gilmore, Department of Transportation, stated that this bill was model legislation promoting uniformity between states on truck size and weight issues. The forum provided by MHTA offers legislators, industry, and government the opportunity to collectively discuss problems and then find solutions. Funding for MHTA is already contained in the department's base budget, eliminating the need for any appropriation in order for this alliance to continue.

Questions from Committee Members and Responses:

SEN. JERRY O'NEIL asked if Montana could be excluded if it did not go along. **SEN. MACK COLE** answered that over the years, some member states have not participated as full-fledged members but the purpose of the organization was to arrive at uniformity and improve the transportation system, so it would be in a state's interest to participate fully. **SEN. O'NEIL** then wondered if the MHTA can chose who is in and who is not, as long as the dues are paid and legislators participate. **Ben Havdahl** replied that MHTA's bylaws have been structured to administer the agreement, one of which sets the amount of dues to be paid by each state at \$5,000; there is a membership establishment in the bylaws for commercial, private industry but there is no voting opportunity for these members; they act as an advisory panel for the legislators. **SEN. GLENN ROUSH** asked if any of the member states could dictate their opinions to another member. **SEN. COLE** said that this had been a concern, and it was part of some procedures that were being addressed and changed now.

Closing by Sponsor:

SEN. COLE acknowledged the quality of the questions posed by the committee, and hoped that some of the planned changes would result in great improvement. He the closed on SB 237, repeating that the funding was already in the Department of Transportation's budget.

ADJOURNMENT

Adjournment: 4:15 P.M.

SEN. ARNIE MOHL, Chairman

MARION MOOD, Secretary

AM/MM

EXHIBIT (his20aad)